

Chief of Naval Operations
Adm. Jonathan Greenert

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In A Time of Declining Budgets
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Admiral Greenert: Thank you. Thanks, Senator, and thank you for your service. Taking care of our Sailors and our Marines and our servicemen during your time in the Congress. I deeply appreciate that.

Thank you all for the opportunity to address you today. My name is Jon Greenert and I'm a service chief. I think I've got the best job in the world, frankly, because I get out and about and I get to see our Sailors and our Marines, our Coast Guardsmen, Airmen and Soldiers, and they're doing a remarkable job.

As we look around the world, you know it's dynamic and there's a lot of stuff going on and we'll talk about that, but it's the people who are our asymmetric advantage. All the technology in the world is great, but without the right people, forget it. That has been our asymmetric advantage.

This is the 40th Anniversary of the all-volunteer force, and I think it's a good idea to take a minute every now and again and be thankful that we have a generation, we've had generations of people willing to step up and serve like that.

Let me, if I can, talk about the Navy update today, what we're doing out there today and what I think we'll be doing for a while, the budget challenges that we have out there, and I'll talk a little bit about the long term sequestration impacts, kind of how we see it as we plan out there into the future.

Can I have a slide up, please?

630,000 people in your Navy today -- 320,000 active; 110,000 Reserve; and 200,000 civilians. So as you can see here, we have 285 ships today, about an average of 95 deployed. This is about a 90 day average. Today there are more out there, here and there, due to operations as we position around the world. But

we're about 10 down in this deployment piece. I.e., we were about 105 deployed about a year ago, and that is a factor of this last year of the budget limitations that we've had.

Presence remains our mandate. We have to be where it matters and we have to be ready when it matters, and I think where we are postured today and the things we're prepared to do is a clear example of our ability to, when required, to quickly position ourselves if necessary and offer options to the National Command Authority.

We reassure allies. We deter aggression and ensure that the U.S. interests around the world are properly served.

We have about a third -- pretty easy math there -- of our forces, of our ships deployed. That's about 33 percent. We had about 30 percent in 2001. We had about 25 percent before that in the '90s. So you can see that more of your Navy is out and about by ratio as we've gone through the last decade of time.

A little bit about where we are today. Go to the next one please.

If you look out here in the Eastern Med, this is where the destroyers are approximately. The Nimitz is down there in the Red Sea, and that's the Nimitz carrier strike group. Not just the Nimitz, her air wing, also her escorts. [Three destroyers] -- and a cruiser I think literally. And then let's not forget the Truman carrier strike group is in the Gulf of Oman.

So where it matters, when it matters, able to reposition out there very quickly.

I would give you a little factoid here, and you might recall a while back we moved four, actually we moved eight mine countermeasure ships -- four, excuse me. Four countermeasure ships to the Arabian Gulf and we moved two back. We're about to move two more back to the Pacific Command, theater of responsibility. The capability remains the same. We've been able to evolve in the Arabian Gulf in our capabilities in mine countermeasure. My point to you is, we are still continuing our rebalance in the Pacific, and that's a small tad of that.

This rebalance to the Asia Pacific, despite operations around the world, despite Mideast operations, continues. It has slowed down. The continuing resolution of '13 and sequestration has slowed us down but it's moving ahead. It's about forces. We are

moving forces to the Asia Pacific region. The first kind of tangible effort of that, clearly, clearly tangible, is the Freedom who is continuing her deployment down to Singapore. There will be more. From Joint Strike Fighters, first deployment; from the Triton which is a broad area maritime surveillance; to eventually littoral combat ships to Japan and continuing down to Singapore. So it's forces, but it's also capability. The Western Pacific remains our benchmark for capability. From anti-submarine warfare to electronic warfare, to surface-to-surface warfare, all of those. We benchmark the Asia Pacific.

Our home port migration to 60 percent West, 40 percent East continues as ships are being commissioned and as ships come out of overhaul. So that is continuing apace. It's also about intellectual capital. We are continuing our advanced exercises and we're stepping up a little bit our operations with Japan, with the Republic of Korea, with Australia, with Singapore, with Indonesia who wants to do more today. And I will meet, starting this weekend and into next week, with my counterpart who is the head of the People's Liberation Army Navy, Admiral Wu Shengli, as we continue our mil-to-mil relationship, the evolving and maturing of that relationship.

You probably know today we have three PRC ships going to Hawaii. There are two headed to South America, and the Pisark, excuse me, their hospital ships, continues operations. We have operated with PIsark recently. So there's an evolution going on and it's all about the intellectual capital, capacity as we look to the Asia Pacific region.

I recently took a trip in May to Japan, Republic of Korea, and Singapore, and put eyes on what's happening out there. The message back that I got clearly was, you know what, we see that you are rebalancing the Asia Pacific. We see the tangible nature. We look forward to this continuation as we go through the decade that you are going to continue that rebalance.

So again, the budget is going to slow it down. Mideast operations cause a little hitch in it here and there. But the fact is, we are continuing that rebalance.

I'm focused for 2014 in four areas that I would task you. The undersea domain. I'm very comfortable where we are in the undersea domain. I like to say we own it. I get reports from time to time when our folks come back, our submarine commanders

and that. I'm very comfortable that we can do what we need to do, what your country needs to do in the undersea domain.

Also the electromagnetic spectrum. To me, that's a big part of our future. The ability to detect, the ability to jam, the ability to understand it, the ability to move in it, the ability to understand what we are putting into the atmosphere, if you will, into the electromagnetic spectrum is very important and a big part of our future.

Our Arctic road map continues apace. About 18 months ago an oceanographer of the Navy, probably about two years ago actually, came and said well, I think we've got about 15 years before there will be major traffic up in the northern areas. About a year ago he came and said I think we've got about a decade before we have operations there. So we are looking hard up there at what is the appropriate amount of presence, what's the appropriate amount of discussion with our allies. I look forward to talking about the Arctic with Admiral Wu Shengli. I talked with Admiral Viktor Chirkov, the Chief of the Russian Navy recently. We have our people getting together and sorting out what is the appropriate protocol, if you will, and presence for all of us including the Coast Guard, including our northern NATO nations in the Arctic as we continue thinking of that.

The Navy/Marine Corps future operations. How are we going to integrate together as the Marine Corps comes back to sea? General Amos and I have talked about this quite a bit. Our exercises show it as we look at concepts for the future, matching up with our ships and their equipment for the future.

So those are my big four.

But an area that continues to have my full attention is sexual assault. This is a challenge for my time, for our time in the Navy, for our time in the military. And make no mistake, we are at this challenge every single day.

For us it is four key areas I think that would sort of summarize what we're after. One is prevention, and it's about a climate of dignity and respect for our people. We owe it to them, those that join. Your sons, daughters, nieces, nephews, anybody that joins our military deserves that and it's unit leadership which will make sure that happens.

It's about victim response and advocacy that our folks who are victims, that they have a special victim council, that it is

easy for them to report. There are ten different ways and only one of them involves the chain of command to report an assault. It eliminates the perception of retribution so that our folks feel very comfortable reporting this awful offense.

It's about investigation. Make sure we have the right litigators, and we do. We're getting there, let me say. We're not completely there, but we're making good progress in that regard. Investigations are taking less and less time to bring to fruition and to completion.

It's about having the right senior review of these things and getting on with the process and bringing this to accountability. Pursue aggressiveness in our prosecution and make sure that we publish the results so that our folks can see that we're very serious about this and there's a tangible outcome for this pursuit.

We'll continue to assess this effectiveness as we go through, through the years.

I've had other areas, if you've heard me before or read what I write, I had four areas. One was sexual assault.

The other was suicide. We are making progress in this regard. The resiliency of the force is showing better and I get feedback from that. Our suicides are down. I wish I could tell you precisely why. I don't know precisely why. I know that the force feels more resilient and we talk to them in that regard.

Gaps at sea, our manning at sea. We are making measured progress in that regard. I can see it in the manning and I get the feedback from our people. And we're getting a better handle on our OpTempo, particularly our individual people. What are their operations as they go from unit to unit. What is their OpTempo? We call it individual tempo. We're doing pretty good in that regard, I'm reasonably happy.

But there are budget challenges, so a few words on that.

The effect of sequestration, the continuing resolution in FY13 pretty much came about as we predicted and as we testified to. The budget reduction was about \$11 billion to us, to the Navy. And we were fortunate enough to reach back to prior year money, which hadn't been fully obligated, and pull that forward into '13 and it helped mitigate that. That's a one-time operation that we were able to do.

We in fact had to cancel five ship deployments in FY13. Our surge capacity, the ability to respond here. Those ships that are back here in the continental U.S.. Usually we have three carrier strike groups and three amphibious ready groups able to respond within a week. We have one now. That's going to be the story in FY14 as we look ahead. So it's a reduction in surge. That's where a lot of the, if you will, the reductions in the budget kind of manifested themselves.

We've done very little shore maintenance upgrades. If there's an area that I'm concerned about and I have to watch closely, it is our shore readiness. This is where we're taking a lot of the reductions and we've got to be careful of that.

So as we look into 14, we had about \$11 billion reduction in '13. Well, it's \$14 billion in '14. It's ten percent.

We again, as you probably have read, have exempted manpower and it's the right thing to do. That means instead of ten percent for appropriations, the appropriations that receive a reduction, non-manpower gets a 14 percent reduction.

What's going to be the impact? Well, subject to any action and help from the Congress as we move ahead, we'll probably have to cancel about half of our surface ship availability, so that's 34. We'll cancel a lot of aircraft availability. About 190. Last year we canceled about 90. So we're getting a backlog that is concerning in that regard. It will take a long time.

If we restore the budget after '14 and say okay. I'll tell you what. You've got full up operations and maintenance budget, it will take about five years to get that backlog in aircraft maintenance down.

Navy-wide, we'll reduce training for those who are not going to deploy. That gets back to that surge element that I mentioned before, reduction in that regard. So those that are not deploying in FY14 will have less training.

We'll have some air wings that will go to what we call tactical hard deck, which means they'll fly, the pilots will fly and the air crews will receive training at a level which is really just above what we're comfortable with for safety of flight, and it gets them at a point where when they get ready to deploy they can ramp up relatively quickly.

There's nothing magic about it. It's a statistical point. Not where I want to be. I will be pursuing to see if we can get more flying money to train our pilots above that level and get our kids to sea more often in FY14 as we look for reprogramming opportunity, the ability to move money.

So again our surge capacity, I predict, will be about one-third of the norm as we look into '14.

Remember, sequestration is, and we're assuming it occurs in FY14, it takes reduction in every single account. So our shipbuilding reductions, which we were able to attenuate with prior money in '13, will take a hit in '14. I would see a loss of a littoral combat ship there, again without help; an afloat forward staging base, which is an important part of our future; and advance procurement for our Virginia Class submarine; and for carrier overhaul.

We might lose two more, we might lose a submarine procurement in '14, and a destroyer, again, if we are unable to reprogram, to move money into those shipbuilding accounts from other accounts.

These will be challenges, these will be issues we'll be working with the Congress as we move ahead.

In aircraft we'll probably lose about 25 aircraft. If you say what kind? We'll say there isn't any that won't probably be lost. Some helos, the P8s, the F-35s, they'll all be affected by this because it goes to every single account.

CIVPERS hiring freeze will probably continue through that period. There's a great potential we'll have to do a RIF, a reduction in force, in our civilian work force. So we'll start a voluntary program probably immediately in '14, offering programs for voluntary retirement to help attenuate the need to have to do a reduction in force.

The key to all of this is this transfer, being able to transfer money to get reprogramming for us, in order to have a balanced approach. If I were to estimate what I think we need, we need about a billion dollars to get into the operations and maintenance account, and about a billion dollars to get into the procurement account so we can get that into shipbuilding which will be our number one priority in the Navy.

If you look out beyond '14, if you look at '15 through say the rest of that ten year period that the Budget Control Act is

expected, we're looking right now in the building, in the Pentagon, among the services, we're building an alternative look from FY15-23 to say okay, if this continues and we just, rather than doing this year by year we just look at, what would this mean? And the strategic choices management review was a snapshot of that. It took scenarios and said well, if we looked at it this way, this would be the impact. It helped provide the Secretary of Defense that understanding of what kind of scenarios might be out there.

So we don't have "the" scenario now, but we have scenarios that we kind of lay in there.

My approach to this, it's going to be to make sure we maintain a credible and modern sea-based strategic deterrent. That's my number one program, the SSBNX and the current Ohio program, along with the command and control features and along with the extension of the missile.

Next, we need to maximize forward presence. Using the forward deployed naval force, that's the concept we have in Japan and the concept we've been offered in Rota to bring ships, bring the Sailors and the families over there. We get great leverage from that. But also to forward station ships also. So forward presence.

Three, we've got to have adequate readiness. The ships that are deployed have to be ready because it's all that much important with a smaller budget with a smaller Navy, that Navy which is out and about is absolutely ready.

We've got to make sure that our asymmetric capabilities continue to be developed. The undersea domain, electronic warfare in the electromagnetic spectrum, the electromagnetic rail gun, our laser technology which is coming along. As you probably know, we are deploying a laser gun this coming summer, if you will, in the summer of '14 I should say, to the Arabian Gulf and we're looking to bring along the electronic rail gun.

Cyber and people. Remember, people are an asymmetric advantage, so we've got to do that right.

We will reduce force structure in this plan, but we have to do it while preserving the right capacity to at least do one MCO as we look out into the future, and we will have to reduce procurement. There's no doubt about it. I've got to look at

the industrial base and make sure that as much as possible we're doing this in a deliberate and planned Navy.

That's kind of the principles of this look ahead.

Let me give you a scenario. If you say okay, what might you look like? And a scenario could be, in the future, if you take 2020 and you say what was your plan? Some of you may have seen this and say well, the plan was to get to 295 ships with 116 planned to be deployed. That's in the red here. You say future, if we had to retire a number of ships, might be a 250 ship Navy in 2020, and able to get about 96 ships deployed.

A couple of thoughts about this. This is really leveraging operating forward, as I like to -- It's one of my tenets in there. It's using the forward deployed naval force. Forward stationing ships. It's bringing along ships like the littoral combat ship to join high speed vessel, the afloat forward staging base, and putting them in key areas of the world where we can leverage their usage. You get sort of a picture like that.

There is not a lot of surge here. This is a Navy which, you can do the math, 96 divided by 257. You see how much is forward and out and about.

The reduction of our manpower associated with such a future where we reduce forces is completely connected to our force structure. What I mean by that is, we man equipment. That's the principle in the Navy with regard to manpower where some of the other services, they equip their manning. It's all about where our people are. And we have it about right now. We're just about where I want to be on the number of people per unit. So it's about retiring units, if you will, if you want to get a lot of savings out there as opposed to reducing people.

There's also a compensation entitlement reform and an overhead reduction which is part and parcel to a future look, and we are studying that closely.

I'll close now and say look, preserving presence is the key. That's our mandate, to be where it matters and to be ready when it matters, and we'll continue that rebalance to the Asia Pacific. We'll be moving ships forward. That's kind of a key element as I look into the future. And we've got to remain ready forward so we can do the things, like I showed you in the

little graphic today. Be able to respond quickly to what the nation needs.

But throughout it all, Sailors and our civilian work force, our civilian sailors, are going to be the asymmetric advantage, are going to assure that we keep a force which is whole and not hollow.

I look forward to your questions and thank you very much.

Moderator: Admiral Greenert, thank you very much.

What we'll do now is have an informal conversation, and I'd like to take your questions. Let me begin with a question that may be on people's minds and then that will give you the opportunity to determine what you'd like to lead with here.

Admiral, obviously on the minds of many folks is how we will be able to deal with the situation in the Middle East right now, potentially some action with regard to Syria. The Navy is a big part of that. Could you speak just a little bit to both our capabilities without getting into the tactical operations, how, this is the second part of the question, how these cuts in funding may affect your approach to such an operation and how it could be affected let's say five or six years down the road if it continues.

Admiral Greenert: The focus that we've had for those forces that we put forward today, and the ships that you saw here positioned were all forward deployed, so we haven't surged anybody over for this operation, potential operation specifically. They are ready. They were organized, trained and equipped and delivered to the combatant commanders fully ready for a vast spectrum of operations including operations that they may be asked to do from launching Tomahawk missiles to protecting the ships themselves, in that regard.

So I'm very confident in that regard. We have them loaded when they go over. So we will continue that into next year. That will be a centerpiece as I build any alternative POM or any future budget, that those ships that we put forward are ready to go, no matter what the number in the Navy are. And then we get as many forward as we can using the principles that I discussed from forward deployed naval force, rotate crews, whatever that might be.

Question: If I can follow up on that. Congress has developed a plan that would give you 60-90 days. Do you need 60-90 days to do a limited strike? What would you estimate 60-90 days would cost you? And do you think that perhaps you might need a supplemental to do something like that? Then also, to what extent do you think that limited naval strikes would reduce Assad's ability to use chemical weapons once again?

Admiral Greenert: A supplemental might be the order of the day. I'll give you some factoids, and then as we work through how long operations are going on, I think that will help us understand the degree of the problem.

A Tomahawk missile costs about a million and a half dollars, so that's kind of a factoid, if you will. A carrier strike group operating out there will cost you in extended operations, I'm talking about a lot of flying going on, as opposed to say routine flying, will cost you about \$40 million a week. If it isn't flying that week, the routine is about \$25 million a week. *A destroyer, I think costs about [\$2 million] a week. I'll get you those numbers if you want to follow up on that or you want to put something down.

So that helps us understand for the extended amount of time the additional burden, if you will, on the budget.

Now many of these ships, we're going to be out there anyway, as I said before. They're forward deployed.

In the case of the Nimitz, she was to be headed home. If we extend her much beyond say a week or so she starts going in that theater longer than we had planned. As you probably recall, she was on her way back and we said okay, hold on here, we may need you.

There are a vast number of options provided to the national command authority. So not only do I not know which exactly they're going to use, that's the business of the theater. I organize, train and equip. I don't know which tactic they will choose. There's a long list of things that are available. There's a long list of opportunities or effects that are also available.

Again, there's a long list of effects that can be done, and that would be really up to the national command authority, what they choose to do.

Question: Thanks very much. Dick Coffman.

Admiral, I'm worried about 2020 and the out years. Obviously we have a crisis now, but 2020 plays into that. I read that the Navy may be down to two carrier strike forces available worldwide by 2020. That reduction also means a reduction in the industrial base and a reduction or a diminishment in our ability to build back up if we have to.

Frankly, this reminds me of the post World War II period when we went down very fast and we almost paid for it in Korea.

Am I right to be worried about that?

Admiral Greenert: You are right to be worried about that. We don't talk about people, and I would tell you we've really got to do that right. You might recall, we had a training issue after World War II, and in the early days of the Korean conflict we were concerned and we found hey, these folks weren't ready to go.

In the job that I do, people are the foundation of that, and I'm pretty comfortable about what we have today, but we've got to watch how our folks are motivated to the future to want to stay Navy, stay in the military.

I look at it, it's a little equation. They look at what is the quality of the service that I am providing the nation? Because they're not a money seeking group. They look at a balance of what is my quality of life there? Are you taking care of me? Do I have a decent place to live, decent pay? Can I advance my education? Are you training me for a future? And they have a quality of life that is -- Do you support my family?

Then there's a quality of work which I'm looking at. Those added together equate for me the quality of service.

But the quality of their work. Are they manned? Do they have a proper supervisor? Does that supervisor motivate them? Is their division manned properly? Do they have the right spare parts? Do they have a predictable schedule? Are we wearing them out? That's the part I think we really need to be careful as we look into the future. So that's one.

The industrial base, everybody's looking at the big guys. We've got to look at I think the next level down, and maybe one more.

In our nuclear industrial base, we have well over 50 percent, and I think the number might be 80 percent of suppliers for nuclear technology are sole-sourced. So we've got to keep our eye on these folks. If they go under and they make a widget, a pump, a valve, whatever of a high quality material, how do we recover that? To your point, as you mentioned, if you want to reconstitute, are you prepared? That's that balance in the industrial base. I am concerned about it. As we build here towards the future, we the service chiefs think we need to do this very deliberately. Not year by year. We have to sit down and do this in a broader, more deliberate manner.

Question: Thanks for speaking here today, Admiral. I'm John Harper with the Japanese newspaper Asahi Shimbun.

I was wondering if you're concerned that potential U.S. strikes against Syria could lead Assad to retaliate against U.S. interests in the region and thereby draw the U.S. into a long term conflict there?

Also Senator Kyle, if we can get your views about whether or not you think the U.S. should intervene militarily there, and what concerns you might have about that. I'd be interested in hearing that as well.

Admiral Greenert: I would tell you, the Central Command is vigilant for just such a thing, and have their eyes open very wide on that. So we have got all our sensors out in that regard to what could be potential reaction, and make sure that our force protection measures are in place and that we're postured to react accordingly.

Moderator: I'll just refer you to a Wall Street Journal OpEd piece that former Senator Joe Lieberman and I have authored that I think will run tomorrow that expresses our views.

The summary is that notwithstanding a series of mistakes and putting the United States in a bad position with respect to Syria, sometimes you don't have any option but to take action and this is one such situation.

Question: Admiral, Tony Capaccio with Bloomberg News. Two questions.

Can you give a little sense of the capability that this new tactical Tomahawk brings to the United States that would help overcome the advantage Assad's forces have had to disburse and

hide? This can be loitered apparently for hours and check out targets.

A second question, what impact does the presence of the Russian Navy, do Russian Navy vessels have on potential Navy operations including, wouldn't that take away from the use of submarines that would normally be tracking Russian vessel movements from participating in strikes?

Admiral Greenert: I think you've hit on a key advantage of the tactical Tomahawk, which is you fly it and it can receive changes. It can receive changes in targeting, changes in direction. So it can go up and actually loiter. Some call it, it's an unmanned aerial vehicle. It's just that when it's done, it destructs and creates an effect.

So yes, it is quite a good capability; we have quite a few of them out there; and it brings a really good option to the commander.

I don't discuss fleet operations, so the wherewithal of particularly our submarine force and Russian vessels is really inappropriate.

Question: [Inaudible]?

Admiral Greenert: I guess I would characterize it, given what you said, a neutral factor.

Question: Thank you, Admiral. Sandra Irwin with National Defense Magazine.

On the alternative POM, can you talk a little bit about your thinking on aircraft carriers? If you have 11 carriers now, is there thinking that they would not be ready and equipped properly and you would rather have maybe nine or eight that are trained and equipped properly? You keep emphasizing that point. So what's your thinking on that issue?

Admiral Greenert: Our aircraft carrier remains a key and critical element. It's really about the air wing piece of it. So as I look out into the future, I look at what is the air wing of the future? The technologies that we bring. I mentioned the asymmetric piece. Particularly electronic warfare, bringing in the U Class into that air wing. What will I need in that capability and how to disburse it around the world.

Well the aircraft carrier is obviously the way to get it out there. I would like to have 11. That remains our requirement and our force structure assessment, but when you look at the limited fiscal resources, you have to look at it in a balance. What kind of force structure can you afford to sustain and that which you sustain or maintain, however you want to look at it, it has to be organized, trained and equipped to deploy and to respond properly.

Mistakes have been made in the past. You say look, I'll just hold onto the force structure and then we'll recover. Frankly, if you let it go too long, any of those ships, they won't make their expected service life because you haven't maintained them properly. Just like your automobile won't make its expected life if you don't.

To me, I'm about having the right kind of forces the right number that I can organize, train, equip and maintain ready. But it's a balance in procurement. We talked about the industrial base. It's a balance of people. We've got to make sure we take care of the people. Their quality of work is appropriate. Because if we start losing them, if you will, and their commitment, that's the very foundation.

Question: Richard Sisk, Military.Com.

Sir, on your slide you had four destroyers, one amphib in the Eastern Med. What's happened to the Mahan? Is that on its way home or is that not committed to operations should Congress authorize it?

Admiral Greenert: The 6th Fleet Commander is discussing what to do with Mahan, and she was just not in that eastern part. She could be made available if necessary, and I think they're still commiserating on the need for Mahan. She was completing her expected time and they'll determine what to do with her. [Following the event, CNO stated USS Mahan had departed the Med Sea for homeport.]

Question: Willie [inaudible], SAIS.

Switching gears for a little bit, what future confidence building exercises do we have planned with the PLA Navy and efforts to reduce crisis instability? I know in the past year we've done two anti-piracy efforts in the Gulf of Aden with the PLA Navy. What else can we expect in the future?

Admiral Greenert: The Surface Action Group that is going to arrive in Hawaii here in just a few days, one of the things they'll do is search and rescue, which seems rudimentary, but it will run quite a spectrum of command and control.

In the Gulf of Aden we recently did a counter-piracy operation, as you mentioned before, but their helos landed on our ships, our helos on their ships. Once you break through that barrier and you get the command and control feature of that, you can start ramping that up into all kinds of operations. Counter-smuggling, maritime intercept operations.

What I would like to do, and I have my folks working on, determine what kind of operations are acceptable within our policy constraints and the National Defense Authorization Act of 2000, and present them in modules to my counterpart and to the PLAN. Let them look at it. If we can bring those modules to bear so that they can be approved relatively quickly, it's too constrained, it takes too much time to get one simple operation going. I want to move ahead in that so that our folks when they get out there, they can do more.

So that's one.

We recently did a humanitarian assistance operation in Brunei with, I kind of mentioned it there, with their hospital ship, [Yong Wei]. I want to move out on that and explore the opportunity of maybe doing a combined operation. We have the Comfort and Mercy. They have the Pisark, as you know. Medical, bringing comfort, a consistent thing. Project Hope has been in China. Project Hope is here. So I'm looking for overlap also in that regard.

They're interested in putting together a code of conduct, if you will. How do we talk to each other? How do we agree to talk to each other? Our commanding officers. Also, speaking of officers, get a junior officer, mid-grade officer exchanges going. And senior enlisted. We've got to build on that foundation. When they grow up to be in my chair, when they grow up to be in Admiral Wu Shengli's chair, they know each other and they know internationally who folks are. That way we can solve problems.

Moderator: Can I just do a follow-up to that? When I was in the Senate obviously I was a supporter of the military-to-military contacts, not only with the big countries like a Russia or a China, but some of the smaller countries that could become

important at any given time in the history. We've seen how those military-to-military contacts can have a very beneficial effect for us.

With respect to the Chinese in particular, could you just share with us a little bit, without making news, your view of the attitudes of your counterparts, what they think they get out of it, and more importantly, what we think we get out of these contacts?

Admiral Greenert: With regard to the Chinese?

Moderator: Yes.

Admiral Greenert: I think what they get out of it, and all the signals I get from Admiral Wu Shengli, and speaking to his Vice Chief of Naval Operations a week from yesterday, he was here with their Minister of Defense and our Secretary of Defense had a dinner, so we were chatting. They want to move on to a consistency of dialogue. They want to move on, get away from miscalculation.

He has a challenge of a growing navy and an assignment and an intent by their nation to operate in the South China Sea, in that area. They know we're going to be there too. They frankly know that the Japanese Navy is going to be there and the Philippines. So he wants to get away from miscalculation and preclude an embarrassing or a scenario that they just wish they hadn't got themselves into. And we all know that these things can happen.

Secondarily, also realizes that in order to be out and about, things can happen. Humanitarian assistance. You've probably seen that the Chinese have shown a proclivity to want to contribute in this regard.

In our recent Libyan operation they did a non-combatant evacuation operation and they want to get better at that so that they too can take care of their citizens abroad and they're expanding around the world.

So there is a pragmatic and a practical approach. They say look, I'm responsible for my people. I have an assignment and a task. I want to approach this in a manner which is, I'll speak again, responsible and deliberate, and not more helter skelter. I don't want to get myself into something I don't intend to.

Question: Sir, Tom Curry, NBC News.

For the taxpayer who doesn't follow these issues closely, who is outside of Washington, DC, they hear about the sequester and other parts of the federal spending being cut as well as the Navy, and they read about the Libya operation. They read in the newspaper that maybe 11 U.S. Navy ships were involved in that roughly, and if there's a Syria operation maybe that number, maybe fewer.

In the most simple terms, because they're not engaged in this full time. If they ask you the question, well why do we need 285? It seems like a large number of ships, if our typical operation in this era, every couple of years, we use a dozen ships. What would be the answer?

Admiral Greenert: Well, we have to be able to respond wherever it matters. The economy of the world flows through what I call the maritime crossroads. Any event in there, interruption in there, has an immediate economic impact. If you walk your way back through to the price of oil and you watch the cycle of the price of oil, I won't get into -- That's an obvious economic impact. The Strait of Hormuz has to remain open; the Strait of Malacca; all of those.

Number one, you have to be sure that the lifeblood of the world flows, and we have to be there to make sure that happens.

The operations here that you've seen, the crisis that is emerging has had an economic impact. To be able to respond to that immediately is key and critical.

So you have to have a Navy that is out and about. Having one-third of the Navy out and about is not bad because if the 90-some are out there, there's about a similar number, doing simple math, that have to be ready to go out there. That rotation alone is pretty good. By doing any ratio.

I would tell America that I think they're getting a pretty decent bargain when you have over a third of your Navy out and about at all the crossroads of the world, able to respond like we've done here. Able to respond in the North Korea missile crisis where there's a threat of a launch and in 72 hours we're on station able to report that we can protect Guam, that we can protect the United States, that we can protect Japan from a threatened missile launch.

Able to respond to Haiti. Able to respond to Tomadachi, to Japan. In days. Whereas if you looked on that chart there, and I can get it, if we have to wait back home and steam over there it's a two or three week operation. Simple math.

I think this is what the American people are owed, both in response, how their country responds, but also in assurance of economy in the future.

Question: Admiral, Sidney Freedburg, BreakingDefense.Com.

You mentioned a supplemental. If you don't get a supplemental and there is an operation that's more than a flash in the pan, what give elsewhere? You've got a very tight budget. Without a supplemental do you take that bite out of shipbuilding, out of maintenance, out of faster force structure reductions, out of training? Something will have to give if you don't get extra money and you are doing extra things.

Admiral Greenert: For the remainder of this year, the remainder of the week in September, we're comfortable that we could accommodate the operations that would occur there. In other words, many of those ships are already over there and already budgeted to be over there. It gets back to what's what you get when you have a forward deployed Navy.

If you start running into '14 and you take something like the carrier strike group Nimitz, or a carrier strike group, and you retain her over there for longer periods of time, we would, there are a number of mechanisms, Sidney. One is a supplemental. Another is we would ask for a forward apportionment of money. Take money we were going to get in the 4th Quarter of '14 and say hey, how about forwarding us that money into this quarter to help pay for these costs, then we would reprogram in the middle of the year to kind of pay it back, if you will.

So it's a borrowing from our own budget, if you will.

Then there's the simple reprogramming itself. Give me the opportunity to take it from an investment account into the operating account.

So the numbers are nagging and they're another challenge but they're not extraordinary at this point yet.

Question: Colleen Waterson, Global Leadership Coalition.

I'm wondering with the budget cuts and what not, what your thoughts are on development and diplomacy being included in the country's national security strategy.

Admiral Greenert: The development and diplomacy in the budget you mean?

Question: Sorry, how development and diplomacy can work together.

Admiral Greenert: Well, I'll tell you what, right off the bat I look to my week next week. My sitting down with my Chinese counterparts and taking the time to work through where do we want to go strategically with our requisite navies and synchronizing that with the Department of Defense policy and Department of State policy which we've worked together. It's working with our country teams abroad and our combatant commanders and making sure where you want to go in this region, how can we in the Navy help that, and then as I mentioned in this rebalance to the Asia Pacific, there has to be a balance to that.

What I mean by that is we are going to rebalance. We're going to move equipment. What is the right ship? What is the right equipment to put down in Southeast Asia? High end, Aegis? Missiles and guns? No. It's a ship that resonates with the need for the missions and our allies and partners down there, a littoral combat ship.

Similarly, an Aegis destroyer and that kind of thing is what we need to assure our allies in Northeast Asia.

So my point is we need to synchronize our efforts with our state partners in this regard, working with the country teams who are out and about right there in the countries in the future, and then leveraging each other's budget so we're not going at cross purposes or in parallel paths, but not connected.

Question: Senator, Admiral Greenert, thanks for being here today. Lieutenant Colonel Ethan Griffin, Air Force Fellow at CSIS.

Sir, looking forward to 2020 in light of budget reductions, can you speak a little bit about where you see unmanned? Give us your perspective on how unmanned fits into global operations forward, and especially into anti-access area denial areas.

Admiral Greenert: Sure. Thank you.

The broad area maritime surveillance, we call it the Tritan, which is a Global Hawk with a marinized feature, will be deployed by 2020, so it will be in the Western Pacific, probably operating out of Guam and provide us about 2000 miles. Take a 2000 mile circle and draw it around and say we will have that kind of maritime broad coverage out and around where that can be.

We don't have that today. We have maritime patrol aircraft, but that unmanned feature right there is good. That's in the air. On the aircraft carrier by 2020 I would hope to have an unmanned carrier launched, surveillance and strike. It's called the UCLAS, which will be able to -- It has to fit into the air wing, it has to fit into the cycle time, and can provide ISR and provide ordnance and provide, you could put a ball on it or other, if you will, surveillance equipment on it. So operating there. That will get us, as you know, if you fly, there's an extraordinary amount of weight associated with an airplane, on a person in an airplane. You remove all that and you're talking fuel or payload or ordnance, so that should be out and about.

Recently we got some feedback on some unmanned underwater vehicles, autonomous. Things you can program and send them out to surveil, come up, send out messaging and what it's got, report what it's finding, and that will give us a broader picture of the undersea domain. That should be on deployment by 2020.

Lastly in counter-mine, if you look at the littoral combat ship there's a mission module that's a mining feature. It will provide us four times the area and one-fourth the time of our counter-mine capability we have today.

So we've got a lot of great potential out there and it's starting to become quite tangible. We're into the point where we're putting stuff, getting it wet I like to say. Not the aircraft. Out there today.

Moderator: Admiral, just a quick follow-up on that.

In the past our technology and our advances in technology have been one of the reasons we've been so successful compared to any potential challenge. But more and more we find that either through espionage of one kind or another or simply dedication of

other forces, the time lag between our development of some interesting capability like this and that of another country, potentially an adversary, has been shortened. How far behind with regard to these kinds of technologies are some of the other leading powers in the world? How far behind us?

Admiral Greenert: The concept of putting something in the air or under the sea unmanned, it's out and about obviously. You see it commercially driven. The ability to put an appropriate sensor on it, or weapon, and the ability to network it and the ability for it to be safe, for it to be reliable and have the persistence of some of the stuff we're developing is not there. That is our advantage.

In the end, our people can operate in this stuff. So it's people who can swap over from being out there on a helo deck to swapping and operating a helo, to going to the drone, a Fire Scout in our parlance.

I'll give you just a little clip. About six weeks ago we had the demonstration of the unmanned carrier aero vehicle, the UCAV, which is in the press quite a bit. I'm out there on the flight deck and I watched the flight deck crew, which is always, if you've ever been out there, it's like an amazing teamwork feature. If you've ever seen that. That vehicle just integrated into the flight deck. What I mean by that is it's unmanned, but you've got the guy bringing it forward, signaling to the drone if you will, right to the UCAS and the guy that was operating it was actually looking at it. So it fit right in.

Our kids adapted and adopted right around that thing and it was flawless. We were able to do that. That's the difference.

Moderator: One last question, then we'll wrap it up.

Question: Sir, George Michelson, a policy consultant with USSOUTHCOM.

I went to numerous briefings when you and General Schwartz talked about the AirSea Battle Concept. One of the points you kept making, that it's an enabler. A lot of the nay-sayers say well it's only China centric. But in terms of what you're talking about, the new TLAMs, what it's able to do, and I think in your briefings you talked about taking feeds en-route from Air Force aircraft, whether it's Aesa radars or anything else. Will the TLAMs potentially being used in Syria have this

capability of taking inputs from Air Force aircraft via JSTARS, AWACS or any other aircraft we've got in the area?

Admiral Greenert: That capability resident in the TacTom, as we call, it the Mod 4 in Tomahawk, is there. It's an option. As you said, I don't know precisely what they're going to use, but we organize train and equip them. They're forward and they're ready.

Moderator: Ladies and gentlemen, it's easy to focus on the negative that we have self-imposed on ourselves through the sequestration and other budget cuts that will drastically affect our military capabilities if we're not careful, but I think you would agree with me that we're fortunate to have somebody in Admiral Greenert who appreciates the priorities, has an understanding of the centrality of our men and women in the military and in the Navy specifically to be the forward part of our national security, and who appreciates the constructive approach, the positive ability to get something done rather than focusing on the negative. We'll leave the negative focused people like me --

Admiral Greenert: I still have plenty of time for that.
[Laughter].

Moderator: I know, but you put forth a very positive view about how we can get it done, and that's what we expect of the leaders in our military. I want to thank you, Admiral Greenert, for not only being here with us today and sharing your views, but all of the challenges that you're dealing with, the constructive way in which you do it, and I would ask that you pass on the support of everybody in this room to those folks that you work with who are manning it 24 hours a day and every day of the year, let them know the support that we have for their efforts. I hope that all of you will join me in thanking Admiral Greenert for his presence today.

Admiral Greenert: Thank you for those words. I appreciate it.

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**Information in brackets reflect corrections.